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UNCLAS SECTION 01 OF 03 MADRID 000865

SENSITIVE SIPDIS

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SUBJECT: SPAIN: REGIONAL TENSIONS SIMMER THROUGH THE

SUMMER, BUT UNLIKELY TO BOIL OVER

REF: MADRID 828

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11. (SBU) SUMMARY: The central government's relationship with Spain's regions--particularly the so-called "historic nationalities" of the Basque country (el Pais Vasco), Catalonia, and to a lesser extent Galicia -- continues to be a topic of significant public discussion. Two key events have largely driven the debate this summer: the Basque parliament's approval of an initiative aimed at redefining the region's relationship with Madrid, and the publication of a "Manifesto for a Common Language" that calls for protecting the rights of Spanish speakers in regions with co-official languages, such as Pais Vasco or Catalonia. These are far from the only new developments, however; in July, two Catalan political parties (the Catalan Socialists, which currently lead a tripartite regional government, and the largest component of the Convergencia i Unio (CiU) coalition) voted at their party congresses to stake out stronger regionalist positions, and publication of the regions' fiscal balances sparked controversy as the GOS worked to renegotiate the regional financing system (reftel). The latest events will continue to demand significant GOS time and energy, drawing attention away from other pressing issues such as Spain's worsening economy. END SUMMARY

//BASOUE REFERENDUM HALTED FOR NOW//

- 12. (U) Spain's Constitutional Tribunal (TC) is currently considering the legality of a Basque proposal, approved by the regional parliament in late June, to move forward with the referendum portion of the so-called Ibarretxe Plan. This initiative, named after regional government head Juan Jose Ibarretxe (U.S. governor equivalent), asserts the right of the Basque people to self-determination and seeks to open up a national debate on the political status of the Basque region. The plan calls for a referendum to be held on October 25, 2008 that, if approved, would a) support peace negotiations to end ETA violence if the terrorist group demonstrates its willingness to definitively cease its terrorist activity, and b) send a mandate to all Basque political parties to begin a process of negotiation with the central Spanish government with the aim of reaching agreement on the Basque people's right to self-determination, to be put to a referendum before 2011. The TC,s decision to accept the government's appeal against the October referendum proposal however, effectively means it would not be held until at least December 15, 2008--if at all.
- 13. (SBU) PNV officials stress, both publicly and privately to us, that they will adhere to the TC,s ruling and have no intention of pursuing "illegal" measures to gain self-determination--even though some PNV members also tell us they consider it ridiculous that their nonbinding referendum could be ruled unconstitutional. Ibarretxe, however, has

promised to use all legal means at his disposal to fight for the "Basque cause." Moreover, some members of his governing coalition, as well as the radical communist-separatist PCTV party that cast the deciding vote in favor of the referendum, have called for a more aggressive resistance.

//POLITICS OF LANGUAGE//

- 14. (SBU) Language policy has become this summer's rallying cry against Spain's regional nationalists, at least in the media. As of late July, more than 130,000 Spaniards had signed the so-called "Manifesto for a Common Language" launched in June by philosopher and writer Fernando Savater (a founder of the new Union, Progress, and Democracy party that won a congressional seat in its first election in 2008), and supported by around 20 other Spanish intellectuals. manifesto, also signed by a number of leading opposition Partido Popular (PP) politicians as well as some semi-prominent Socialist supporters, is a reaction to Basque and especially Catalan efforts to prioritize the use of their co-official languages in education and public services, which manifesto promoters assert discriminates against Spanish-speakers in those regions. Prominent daily El Mundo, always willing to take up sensationalistic causes against GOS policies, has trumpeted the latest tally of prominent signatories almost daily on its front page and continues to push the Manifesto.
- 15. (SBU) Basque and Catalan natives, as well as some non-natives of the regions, seem to largely regard the Manifesto as a political attack against their languages and national identity, arguing that Catalan or Euskera (the Basque language) face a far greater threat and that their regions allow both co-official language speakers and Spanish speakers to live and work there with ease. The Manifesto's complaints are hardly without merit, however, which is

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probably why it has attracted some prominent signatories such as major tourism sector company Grupo Marsans (which owns low-cost carrier Spanair as well as hotel and car rental chains), the five national police unions, and national soccer team goalkeeper Iker Casillas, a Spanish hero following his stellar performance during Spain's European soccer championship in June. Education is the main issue for many Spaniards. The Pais Vasco has decreed that Euskera should be the principal language of teaching, while in Catalonia public schools are taught in Catalan with only a maximum of three hours of Spanish instruction per week. Even in Galicia more than 700 citizens have made formal complaints to the Galicia Bilingual Association during the past year, alleging various forms of discrimination against Spanish speakers -- such as lower grades for school work done in Spanish or a refusal to provide Spanish versions of tax documents and graduation certificates for use in other regions.

//POLITICIANS FRAMING REGIONAL DEBATE//

16. (SBU) Regional-nationalist efforts frequently seem to be more inspired by politically motivated party and regional leaders than by popular demand. Basque President Ibarretxe is pushing his plan, according to some Spanish press sources, despite widespread apathy and even opposition within the PNV. For instance, a senior member of the PNV executive in late July expressed doubts about the timing of the plan to a visiting poloff. Basque society may be even more divided. The well-regarded Euskobarometro in May found solid blocks of support for independence (25 %), federalism (35%), and the current autonomy system (33%), and only 24% at that time wanted Ibarretxe to maintain his position. The poll also found that only 16% considered political issues to be a major concern--many more cited unemployment (53%), violence (38%), or housing (41%) as one of their top three worries. Euskobarometro, however, also noted that Ibarretxe received a 7.5 approval rating from his own electorate, the highest of any Basque politician, and a 5.1 rating among all Basques,

the second highest number.

- 17. (SBU) Catalonia saw two of its main parties move toward more nationalist ground during party congresses in July, although neither has argued for outright independence. Convergencia Democratica, the larger of the two parties in CiU (and whose leader, Artur Mas, also leads the coalition), approved a party objective of making Catalonia a free and sovereign nation in the Europe of the 21st century and calling for the right to self-determination -- an objective demanded by the more radical sector of the party, according to media reports. The Catalan Socialist Party (PSC), which is in federation with, rather than merely a branch of, the PSOE, at its congress seemed to move into ground usually occupied more by nationalist parties like CiU or the independence-minded ERC. The PSC called for constitutional reforms to include the "federalist" character of the Spanish state, reiterated the concept of Catalonia as "a nation with its own territory, language, culture, and history, which make a national community," and demanded a voice for the party in Europe.
- 18. (SBU) Regional politicians are not the only ones to blame, however. Spain's two main parties, the ruling PSOE and opposition PP, have been all but unable to hold civil discussion in recent years on regional issues dealing with Basques and Catalans. Our Catalan and Basque contacts generally accuse the PP as having taken too strident a tone against the regional nationalists and, particularly during the second Aznar government (2000-04), contributing to an "us versus them" mentality. President Zapatero on the other hand tried too hard to make nice with the regions—partly in hopes of capturing more votes for the Socialists there—but, in giving a few inches, saw the nationalists try to take several miles.
- 19. (SBU) Some observers see hope for improvements over the coming years. Francisco Llera, Director of the Euskobarometro program, told us he sees both the PP and PSOE as having matured and learned from their mistakes of recent years and believes there may be more room for agreement on issues like the regional financing system, which the GOS is currently renegotiating. Llera notes for example that recently published figures show that the Community of Madrid, Balearic Islands, Catalonia, and Valencia each put more money into state coffers than they receive back. With two regions led by the PP (Madrid and Valencia) and two led by the PSOE (Balearics and Catalonia), there is a great incentive for the two parties to reach agreement.

//COMMENT//

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- 110. (SBU) Most of this summer's events seem to represent politics as usual in Spain. Spain's victory in the European soccer championships offered a small, but telling, insight into the way in which the center-regions debate can intrude on almost any arena. Spain's success--with a team comprising players from across the country and including tournament MVP Xavi Hernandez of Barcelona--prompted indifference or even disdain from some Catalan politicians. A spokesperson from the leftist nationalist ERC said before the championship that some party leaders "hope Germany defeats Spain in the championship match." Many press sources hailed the unifying nature of the team, describing a new enthusiasm in places like Barcelona for the national squad's success and noted public support for the team by PNV officials.
- 111. (SBU) Although we continue to watch for signs that Spain is fracturing, this seems unlikely in the near to medium term (a sentiment shared by those politicians and observers with whom we have met in recent weeks. While Euskobarometro Director Llera may be correct about the prospects for a better climate for debate, we believe that in general Spain

will continue muddling through on this issue, with the Basques and Catalans pushing for more decentralized powers and recognition of their historic status (and other regions balking at anything that might reward these regions at their expense), Zapatero trying to make nice with the Pais Vasco and Catalonia while fending off their biggest demands, and the PP resistant to most nationalist demands. Nonetheless, center-regional tensions will continue to occupy a significant portion of Spain's political energy, distracting the GOS from more important issues like Spain's precarious economy and making its recognition of Kosovo in the near term unlikely. Aguirre